

A-5 The value chain

The value chain (Figure 1) is a cause-and-effect model that shows posited linkages between budgets, through agency processes and products, to intermediate and high-level outcomes. Agencies may find it useful for:

Choosing new or improved performance measures by:

- § Identifying the outcomes resulting from a given agency activity or output
- § Identifying performance measures for support functions (where the agency is not the primary party responsible for a high-level outcome)

Using performance in new ways, including:

- § On-going management decisions and performance-shortfall diagnosis based on intermediate outcomes, which often show variation in the near-term
- § Program design elements that are necessary for successful performance of a new or redesigned activity or process

This example from the Washington State Department of Corrections shows how the value chain links the activity of offender assessment and planning to the high-level outcome of recidivism (Figure 2).

Figure 1: **Performance Measure Relationship Diagram**

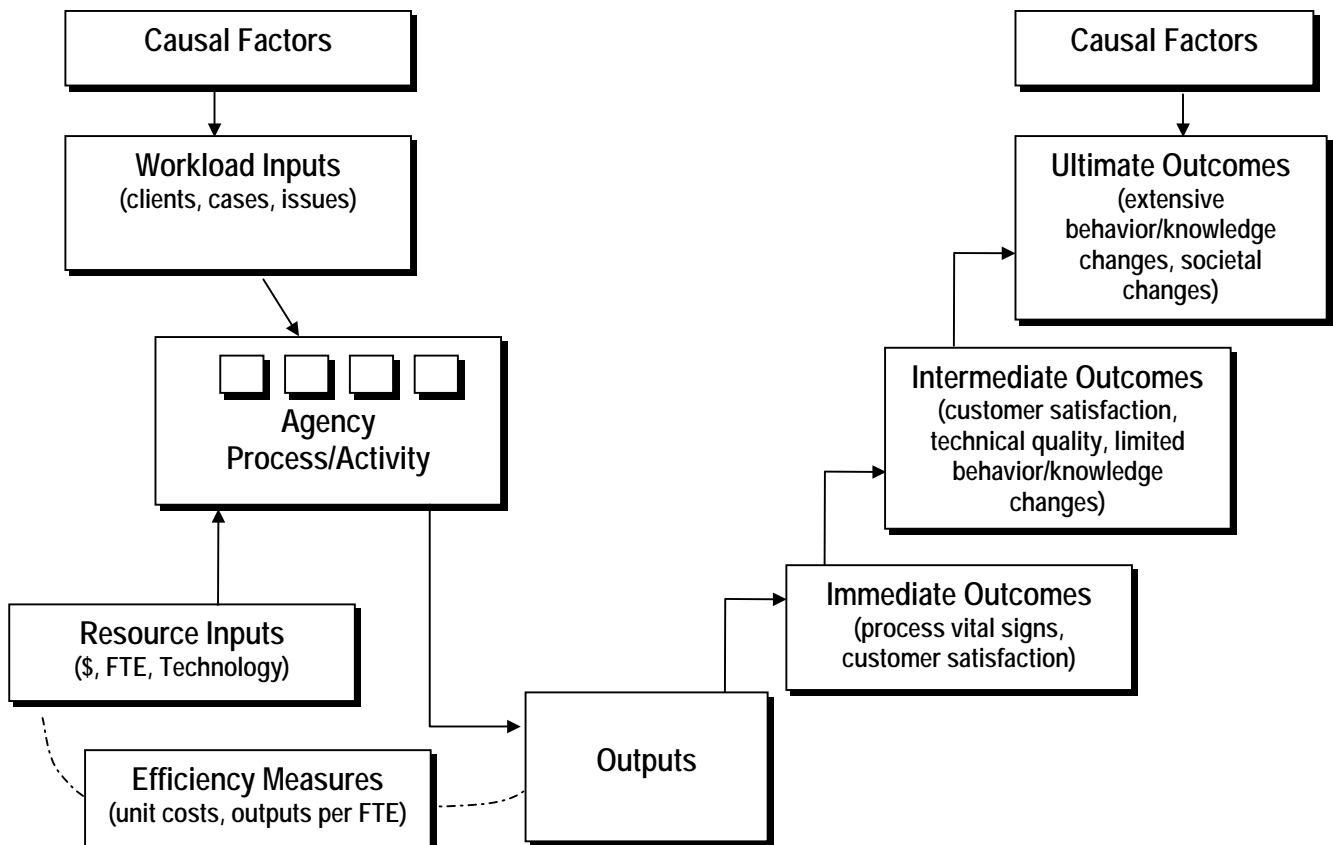


Figure 2: **Department of Corrections Value Chain**